

Workforce News

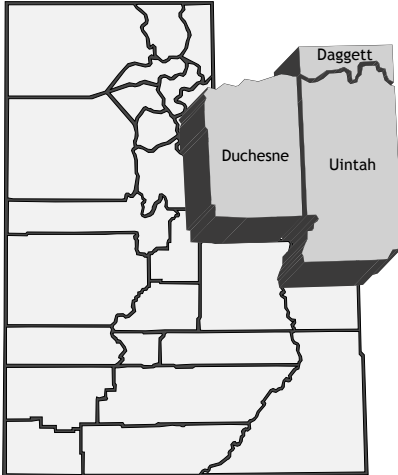
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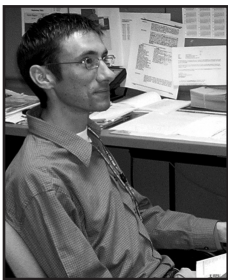
Uintah Basin: Daggett, Duchesne, Uintah

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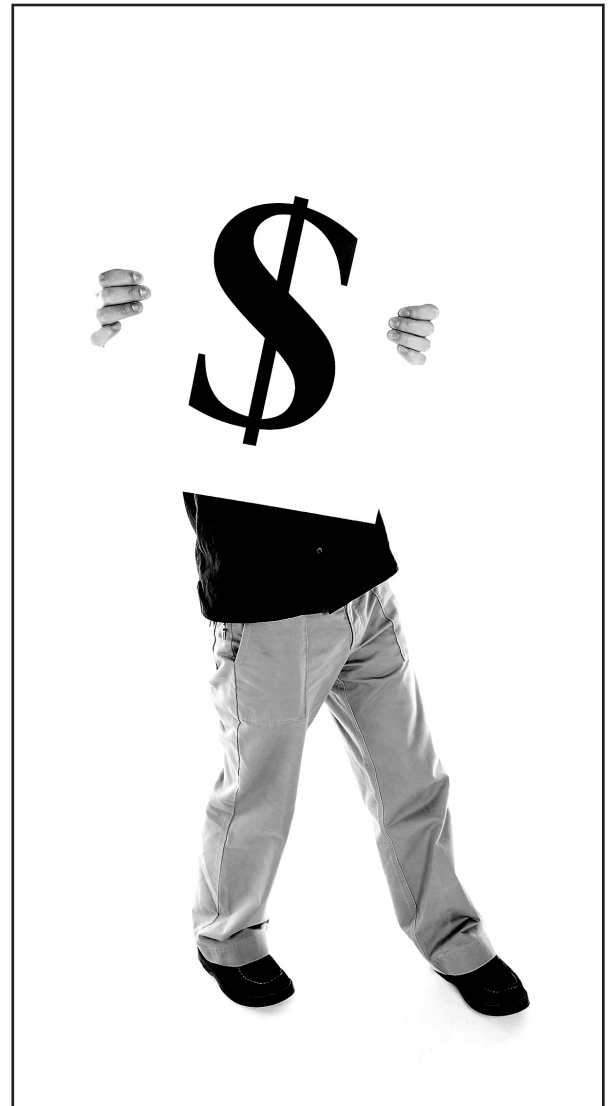
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Talking Infrastructure and Development

Economic development is a strange animal, to say the least. There are many preconditions that must be met before it can occur, and even if you meet those needs your economy still might not grow. This fickle behavior makes it hard to plan for and invest in the type and amount of hard infrastructure that will allow your area to prosper—without breaking the bank. Nevertheless, investment in hard infrastructure like roads, schools, hospitals, and the like, is crucial to creating the environment in which economic development can occur.

For the Uintah Basin, the truth of this is readily self-evident. Using history as a guide, we can see how investment supported economic development, but we also see how some investments created financial pains that had to be endured for years. Today's boom, like



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Talking Infrastructure and Development

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those of earlier years, needs to be nurtured with investment, but having a healthy respect for the past and an understanding of the nature of the global market for natural resources will lead to better investment choices.

So what kind of infrastructure investments does a rural area like the Uintah Basin need? There really are two areas of investment that demand attention: those that increase productivity of firms and those that improve productivity of workers. Why is productivity so important? Well, productivity is the lifeblood of the economy. It produces opportunities for growth and advancement. For economic development to rise, especially in rural areas, both of these groups must be supported through infrastructure investments that improve their productivity.

Infrastructure investments that improve the productivity of firms in rural communities are crucial since these firms are often at a disadvantage to their urban counterparts. There exists an entire body of economic literature that shows that productivity tends to be higher in urban areas—think: firms are closer to their suppliers and their customers, greater labor specialization because of more industrial diversity, etc. For that reason, smart infrastructure investment choices are perhaps even more important in the Basin than in metro Utah. For example, investments in transportation—road, rail, and

air—are crucial in leveling the playing field. To fully compete in the global market, rural firms have to be even more productive than their situation would generally dictate.

On the other side of the equation, investments to improve the productivity of workers are just as important. This includes obvious things like having a solid and state-of-the-art education system to improve the basic skill set of workers, and the full range of healthcare services—healthy workers work better. Another infrastructure issue that isn't thought of as much is housing. Having a solid affordable housing plan in place can be critical in attracting and keeping people to be nurses, cops, and other important occupations in town. Less turnover in these jobs enhances the entire economy.

Investing in infrastructure is not an exact science. It is challenging to create the exact mix that will fuel your economy without breaking your budget. However, with the right investments, it is possible for rural economies to survive, and indeed flourish, in today's fast-moving global economy. Just think, there are entire countries whose only link to the world economy is longer than the drive from Vernal to Salt Lake City.



Check it Out

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County News

Daggett County: Year-over employment in Daggett County grew 9.5 percent in the fourth quarter of 2005. Compared with the same quarter of the previous year the county had a net of 38 additional jobs. The bulk of this growth can be attributed to a sharp rise in construction jobs in the county. Leisure and hospitality, a mainstay of Daggett County's economy, added 7 jobs in the fourth quarter over the same quarter last year. Employment in the county's other service-producing industries was relatively flat. Gross taxable sales in the fourth quarter were up a sharp 97.9 percent over the same quarter of the previous year. Roughly 58 percent of the increase in sales was due to a surge in durable goods purchases. In the service sector, growing business service sales accounted for 17 percent of the net increase in taxable sales.

Duchesne County: Duchesne County's economy continues to grow by leaps and bounds, posting an 8.2-percent year-over job growth rate in the fourth quarter of 2005. Nearly every industry in the county added jobs over the last year. However, none rivaled the performance of the county's mining (oil and gas) industry, where year-over employment rose 26.5 percent in the fourth quarter. Industries related to the Uintah Basin's energy boom also generally did well. Construction was up 105 positions, transportation and warehousing added a further 81 jobs. However, the county's professional and business services and leisure and hospitality firms also posted job gains. Gross taxable sales, an important indicator of local economic health, grew 29.4 percent in the fourth quarter of 2005 when compared with the same quarter of the previous year. Additionally, this growth was notable in its even spread throughout the economy. Rising business investment purchases, especially in mining, were responsible for 38 percent of the year-over increase in sales. Wholesale and retail trade sales accounted for a further 47 percent of the overall increase—driven in large part by a \$4.5 million increase in food store sales.

Uintah County: The energy boom continues to fuel the Uintah Basin's largest economy. Uintah County averaged 12,232 jobs in the fourth quarter of 2005, or 9.5 percent more than in the same quarter of the previous year. It will come as no surprise that the county's mining industry (mainly oil and gas services and oil well drilling) was the single largest contributor to job growth, adding 424 jobs over the past year. The county's other industries, with few exceptions, also added significant employment. Construction was up 163, while trade, transportation, and utilities were up 249 jobs. Financial activities and professional and business services were both up strongly thanks in large part to the increase in demand brought about by the energy boom. Uintah County's gross taxable sales in the fourth quarter of 2005 were up 31.9 percent over the same quarter of the previous year. Roughly 87 percent of the sales increase was concentrated in just three sectors: business investment purchases, wholesale trade and retail trade. The county's other service sectors posted smaller gains, led by a respectable jump in business services sales.

What's Up?

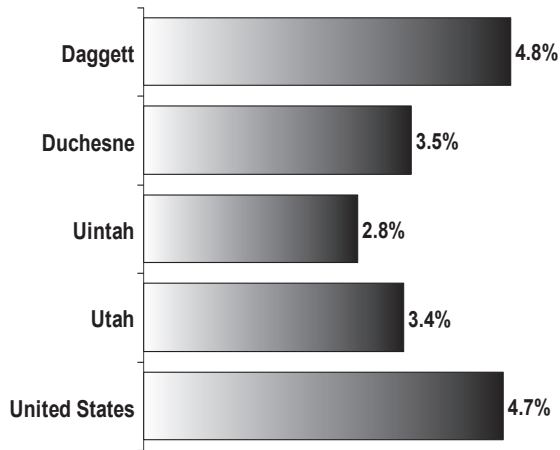
✧ Sandwash Reservoir is expected to be filled to near capacity next year but will reopen to boaters this summer. The majority of the \$50-million-plus federally approved 203 project is funded through the Central Utah Water Conservancy District.

✧ It took nine years, but with just hours left in the 2006 legislative session, lawmakers approved funding for a facility that will provide a presence in Vernal for the Uintah Basin Applied Technology College and Utah State University Uintah Basin. The new UBATC-USU Uintah Basin building will house shops for petroleum technology, industrial safety, building trades, and heavy equipment. It will include a three-tiered classroom and other multi-use classroom space, training areas, a commercial kitchen for the culinary arts program, media resources, and science and research laboratories.

Uintah Basin: Daggett, Duchesne, Uintah

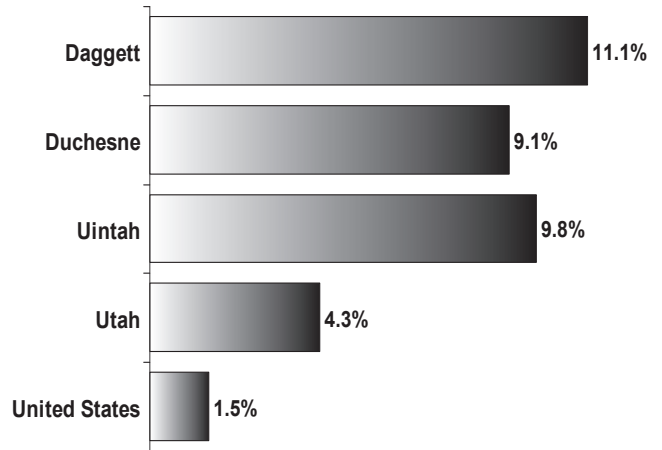
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**Seasonally Adjusted Unemployment Rate
March 2006**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Year-over Change in Non-farm Jobs
December 2004 to December 2005**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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